



**RAS AL KHAIMAH INTERNATIONAL CORPORATE CENTRE
GOVERNMENT OF RAS AL KHAIMAH**

**RAK ICC FOUNDATIONS REGULATIONS 2019,
AMENDMENTS 2025**

TABLE OF CONTENTS

| | |
|------------------------------------------------------------------------------------------|---|
| TABLE OF CONTENTS | i |
| PRELIMINARY PROVISIONS | 1 |
| 1. Title and Commencement | 1 |
| AMENDMENT OF RAK ICC FOUNDATIONS REGULATIONS 2019 | |
| 2. Amendment of the Regulations | |
| Amendment of Regulation 1: Definitions | 1 |
| Amendment of Regulation 2: Characteristics of a Foundation | 1 |
| Amendment of Regulation 6: Application of Regulations in respect of a Foundation | 2 |
| Amendment of Regulation 7: Foreign Laws, proceedings and Judgments | 2 |
| New Regulation 25A: Duress | 4 |
| Amendment of Regulation 27: Property of a Foundation | 5 |
| Amendment of Regulation 67: Arbitration of Foundation Disputes | 5 |
| New Regulation 67A: Powers of the arbitral tribunal | 6 |
| New Regulation 68A: Limitation of Actions | 6 |
| New Schedule 2: Application of the DIFC Arbitration Law and ADGM Arbitration Regulations | 7 |

PRELIMINARY PROVISIONS

1. Title and Commencement

- (1) These regulations may be cited as the RAK ICC Foundations Regulations 2019, Amendments 2025 or “these Regulations”. These Regulations came into force on the Commencement Date with effect from 31 July 2025.
- (2) These Regulations make provisions for amendment of the RAK ICC Foundations Regulations 2019 of Ras Al Khaimah International Corporate Centre.
- (3) These Regulations are made by the board of directors of RAK ICC pursuant to Ras Al Khaimah Decree No. 4 of 2016.

AMENDMENT OF RAK ICC FOUNDATIONS REGULATIONS 2019

2. Amendment of RAK ICC Foundations Regulations 2019

The following Regulations of RAK ICC Foundations Regulations 2019 are amended by inserting the underlined text and deleting the struck through text as shown below:

PART 1

PRELIMINARY PROVISIONS

1. Definitions

By-laws: includes any document, by whatever name called, which complies with the requirements of ~~this Law~~ these Regulations relating to the by-laws of a Foundation.

Charter: includes any document, by whatever name called, which complies with the requirements of ~~this Law~~ these Regulations relating to the charter of a Foundation.

Foreign Law: any law other than these Regulations or the law applicable in the jurisdiction of the Court.

PART 2

NATURE OF A FOUNDATION

2. Characteristics of a Foundation

- (1) A Foundation is a corporate entity with a legal personality separate from that of its Founder(s) and any other person.
- (2) A Foundation has the capacity, rights and privileges of a natural person. The validity of an act done by a Foundation shall not be called into question on the ground of lack of capacity by reason of anything in its Charter or By-laws.
- (3) The Property of a Foundation is not held by it upon trust for any other person. However, a

Foundation may hold other property upon the terms of a trust.

- (4) A Founder has such rights (if any) in respect of a Foundation as provided for in its By-laws.
- (5) A person specified in the By-laws (other than a Founder, a member of the Council, the Registered Agent and any Guardian) has such rights (if any) in respect of a Foundation as provided for in its By-laws.
- (6) Any rights a person may have in respect of a Foundation may be assigned to some other person, if its By-laws so provide.
- (7) If rights are assigned under Regulation 4(5), the person assigning the rights must within a period of thirty (30) days provide a copy of the assignment to the Registered Agent and to the Registrar. A person who fails to comply with this requirement is liable to a fine, not exceeding level 1.

...

6. Application of ~~regulations~~ Regulations in respect of a Foundation

...

- (2) Subject to Regulations 7 and 8, Regulation 6(1) shall:
 - (a) not validate any disposition of property which is neither owned by a Founder or Contributor, nor is the subject of a power vested in a Founder or Contributor;
 - (b) not validate any ~~trust or~~ disposition of immovable property situated in a jurisdiction other than the jurisdiction of the Court in which such trust or disposition is invalid according to the laws of such jurisdiction;
 - (c) not validate any ~~trust or~~ testamentary disposition which is invalid according to the laws of the testator's last domicile;
 - (d) not affect the recognition of Foreign Laws in determining whether a Founder or Contributor is or was the owner of any property transferred to the Foundation or is or was the holder of a power to dispose of such property;
 - (e) not affect the recognition of the laws of its place of incorporation in relation to the capacity of a corporation; and
 - (f) not affect the recognition of Foreign Laws prescribing generally, without reference to the existence or the establishment of the Foundation, the formalities for the disposition of property within the jurisdiction of those Foreign Laws.

7. Foreign ~~Law~~ Laws, proceedings and judgments

- (1) Without limiting the generality of Regulation 7(1), no disposition of Property to a Foundation that is valid under the laws of the jurisdiction of the Court is void, voidable, liable to be set aside or defective in any manner by reference to a Foreign Law; nor is the capacity of any Founder in relation to the Foundation or disposition to be questioned nor is the Foundation or any other person to be subjected to any liability or deprived of any power or right, by reason that:
 - (a) the laws of any foreign jurisdiction prohibit or do not recognise the concept of a

foundation;

- (b) the disposition voids or defeats any rights, claims or interests conferred by Foreign Law upon any person by reason of a Personal Relationship to a founder or any other person related to the foundation or by way of Heirship Rights or contravenes any rule of Foreign Law or any foreign, judicial or administrative order, arbitration award or action intended to recognise, protect, enforce or give effect to any such rights, claims or interests; or
 - (c) the Foreign Law or foreign judicial or administrative order or arbitration award or imposes any obligation or liability on a founder, foundation or any other party in relation to the foundation or the Property of the foundation.
- (2) Subject to Regulation 7(3), a transfer of Property to a Foundation shall not be void, voidable or liable to be set aside by reason of a Founder or a Contributor's bankruptcy, the liquidation of a Founder or Contributor, or any action or claims made against a Founder or Contributor by any creditor, notwithstanding any foreign statute providing otherwise.
- ~~(3) Notwithstanding Regulation 7(2), where the Court determines that, at the time when the Property transferred to a Foundation, a Founder or Contributor, as applicable, intended to defraud any creditor of a Founder or Contributor, as applicable, it may declare that the transfer of Property was void to the extent of the creditor's claim.~~
- ~~(4) In making claims to set aside transfers of Property to a Foundation under Regulation 8(3), the burden of proof shall rest with the creditor.~~
- (3) Notwithstanding Regulation 7(2), where the Court determines that
 - (a) at the time when the property was transferred to the Foundation, the Founder or Contributor, as applicable, intended to defraud a creditor; and
 - (b) at the time such transfer took place the transfer of the property rendered the Founder or Contributor, as applicable, insolvent or without property from which if that creditor's claim had been successful, it could have been satisfied,

then such transfer shall not be void or voidable and the Foundation shall be liable to satisfy the creditor's claim and the Foundation's liability shall only be to the extent of the interest the Founder or Contributor, as applicable, had in the property prior to the transfer and of any accumulation to the property transferred (if any) subsequent thereto.
- (4) Where a Foundation is liable to satisfy a creditor's claim in the manner provided for in Regulation 7(3), that creditor's rights to recovery shall be limited to the property referred to in that Regulation, or to the proceeds of that property, to the exclusion of any claim, right or action against the Foundation or any other property of the Foundation.
- (5) A foreign judgment shall not be recognised or enforced or give rise to any estoppels insofar as it is inconsistent with Regulations 7 and 8.
- (6) No proceedings for or in relation to the enforcement or recognition of a judgment obtained in a jurisdiction other than the jurisdiction of the Court against:
 - (a) a Foundation;
 - (b) a Founder or Contributor of a Foundation;
 - (c) a member of the Council of a Foundation;

- (d) a Guardian of a Foundation;
- (e) a Qualified Recipient of a Foundation;
- (f) a person appointed or instructed in accordance with the express or implied provisions of an instrument or disposition to exercise a function or undertake any act, matter or thing in connection with a Foundation; or
- (g) property of a Foundation.

shall be entertained by the Court if that judgment is based upon the application of any law inconsistent with the provisions of these Regulations.

- (7) If, any action is brought against a person in their capacity as a Foundation Officer in a foreign court or tribunal having authority over the Foundation Officer, and such foreign court or tribunal either fails to dismiss such action, or orders the Foundation Officer to take any action in regards to the administration of such Foundation or in respect of such Foundation's property, the Foundation Officer shall immediately upon the action of such court or tribunal and without the further order of any court, cease in all respects to act in their capacity as a Foundation Officer or to have any authority in respect of the Foundation.
- (8) Upon a Foundation Officer ceasing to hold office or have authority in relation to the Foundation in accordance with Regulation 7(7), such person's power or authority in regards to the Foundation shall cease and such person, shall immediately, following its removal or loss of authority hereunder, give notice in writing of such removal to the person or persons having the power to appoint a replacement Foundation Officer, as applicable.

PART 4

FOUNDATION OFFICERS

25A. Duress

To the extent any person is granted the power under these Regulations, the Charter or the By-laws of a Foundation to demand or request any act on the part of a Founder, Contributor, Qualified Recipient or Foundation Officer, each such person is directed, to the extent such person would not be subject to personal liability or personal exposure:

- (a) to accept or recognise only demands or requests, or the effects of any approval, veto, or compelled action or the exercise of any power, which are given by or are the result of persons acting of their own free will and not under compulsion or pursuant to any legal process, directive, order, or like decree of any court (other than the Court), administrative body, or other tribunal or like authority (other than the Registrar); and
- (b) to ignore any demands or requests, or the effects of any approval, veto, or compelled action or the exercise of any power, where the person attempting to demand, request, approve, veto, compel the act, or exercise the power is not a person either appointed or so authorised pursuant to these Regulations, the Charter or the By-laws of the Foundation.

PART 5

PROPERTY OF A FOUNDATION

27. Property of a Foundation

- (1) The Property of a Foundation may comprise any property.
- (2) The Property of a Foundation must be managed in accordance with the Charter, By-laws and the provisions of these Regulations and solely for the attainment of the objects specified in the Charter and authorized by these Regulations.
- (3) The Property of a Foundation shall consist of:
 - (a) the initial capital of the Foundation;
 - (b) any further amount endowed upon the Foundation and accepted by its Council;
 - (c) the proceeds of investment of the capital of the Foundation; and
 - (d) any other Asset acquired in accordance with these Regulations;

but does not include any property held in trust in accordance with Regulation 4(3) which shall be held upon the terms of the trust.

PART 9

COURTS

67. Arbitration of Foundation Disputes

- (1) The Charter or By-laws of a Foundation may provide that disputes arising under, out of or relating to the Charter or By-laws shall be referred to and finally settled by arbitration under such seat and rules as may be so specified, failing which the Court shall have jurisdiction.
- (2) Where the Charter or By-laws of a Foundation provide that any dispute or Administration Question arising between any of the parties in relation to the Foundation shall be submitted to arbitration, that provision shall, for all purposes under the applicable arbitration law relating to Arbitration in the jurisdiction of the Court have effect as between those parties as if were an arbitration agreement and as if those parties were parties to that agreement.
- (3) Where the Charter or By-laws of a Foundation do not provide that any dispute or Administration Question arising in relation to the Foundation shall be submitted to arbitration but the parties to that dispute agree in writing to have it resolved by arbitration, that agreement shall, for all purposes under the applicable arbitration law relating to Arbitration in the jurisdiction of the Court, have effect as between those parties as if it were an arbitration agreement.
- (4) The applicable arbitration law shall apply to an arbitration under these Regulations in accordance with the provisions of that Part of Schedule 2 which applies to that arbitration law.
- (5) The Court may make such orders in relation to an arbitration or possible arbitration which supplement or vary the application of that Part of Schedule 2 which corresponds with the

applicable arbitration law relating to Arbitration in the jurisdiction of the Court as the Court deems appropriate in the circumstances.

- (6) In this Regulation, “applicable arbitration law” means, in the case of a Foundation within the jurisdiction of the ADGM Courts, the ADGM Arbitration Regulations and, in the case of a Foundation within the jurisdiction of the DIFC Courts, the DIFC Arbitration Law.

67A. Powers of the arbitral tribunal

- (1) This Article shall apply except to the extent otherwise provided in the Charter or By-laws of a Foundation.
- (2) The arbitral tribunal may, in addition to all other powers of the tribunal, at any stage in an arbitration under this Law, exercise all the powers of the Court (whether arising by law, including this Law, under the inherent jurisdiction of the Court or otherwise) in relation to the administration of a Foundation or the rights of any party in relation to the Foundation.
- (3) The arbitral tribunal has the same powers to appoint a person to represent the interests of any person (including a minor, a person unborn or unascertained) or class of person in an arbitration concerning a Foundation as the Court has in relation to proceedings before the Court.

...

68A. Limitation of actions

- (1) No action or proceeding whether pursuant to these Regulations or at common law or in equity:
- (a) to set aside the establishment of a Foundation;
 - (b) to set aside any disposition to any Foundation; or
 - (c) for any order under this Part,
- shall be commenced, unless such action or proceeding is commenced in the Court before the expiration of three (3) years from:
- (a) the date of the establishment of the Foundation that is sought to be set aside;
 - (e) the disposition to the Foundation that is sought to be set aside; or
 - (f) the right to commence the action or proceeding arising as the case may be.
- (2) No action or proceeding whether pursuant to these Regulations or at common law or in equity shall be commenced by any person:
- (a) claiming to have had an interest in property before that property was settled upon or disposed to a Foundation; and
 - (b) seeking to derive a legal or equitable interest in that property,

unless such action or proceeding is commenced in the Court before the expiration of three (3) years from the date that the property referred to in paragraphs (a) and (b) was disposed to a Foundation.

SCHEDULE 2

APPLICATION OF THE DIFC ARBITRATION LAW AND ADGM ARBITRATION REGULATIONS

Part 1: DIFC Arbitration Law (“the Law”)

1. The Law shall apply and be construed with respect to a Foundation arbitration conducted under that Law, as stated hereunder.
2. In the Law, "dispute" includes an Administration Question.
3. Article 12(1) of the Law shall apply as if it read:

“A Founder or Contributor of a Foundation shall be free to determine (by provision in the Charter or By-laws of the Foundation) how, in relation to a Foundation, disputes are resolved, subject only to such safeguards as are necessary in the public interest;”
4. Where in the Law reference is made to a matter agreed between the parties to an arbitration agreement (including a matter which may be authorised, chosen, conferred, designated, nominated or vested by the parties) that matter shall (except where no effective provision is made) be determined as provided in the Foundation’s Charter or By-laws.
5. Neither Article 12 of the Law nor any rule of law or construction treating an arbitration agreement separate to any agreement of which it is a part shall apply in relation to a Foundation arbitration.
6. The term "action" in Article 13 of the Law includes an application or other reference to the Court concerning an Administration Question which the Charter or By-laws of the Foundation requires to be submitted to arbitration and a stay of that application or other reference may be sought by any of the parties in relation to the Foundation, whether or not a party to that application or other reference.
7. In any application or other reference to the Court referred to in paragraph 6, the Court may stay the proceedings on its own volition unless all parties in relation to the Foundation affected by the application are before it or are represented by persons before it.
8. For the objects of enforcing an arbitral award under Article 41(2)(a)(iii) of the Law, the term "dispute" includes an Administration Question.

Part 2: ADGM Arbitration Regulations (“the Regulations”)

1. The Regulations shall apply and be construed with respect to a Foundation arbitration conducted under those Regulations, as stated hereunder.
2. In the Regulations, "dispute" and “difference” include an Administration Question.
3. Regulation 14(1) of the Regulations shall apply as if it read:

“A Founder or Contributor of a Foundation shall be free to determine (by provision in the Charter or By-laws of the Foundation) how, in relation to a Foundation, disputes or differences are resolved, subject only to such safeguards as are necessary in the public interest;”
4. Where in the Regulations reference is made to a matter agreed between the parties to an arbitration agreement (including a matter which may be authorised, chosen, conferred, designated, nominated or

vested by the parties) that matter shall (except where no effective provision is made) be determined as provided in the Foundation's Charter or By-laws.

5. Neither Regulation 15 of the Regulations nor any rule of law or construction treating an arbitration agreement separate to any agreement of which it is a part shall apply in relation to a Foundation arbitration.
6. The term "legal proceedings" in Regulation 16 of the Regulations includes an application or other reference to the Court concerning an Administration Question which the Charter or By-laws of the Foundation requires to be submitted to arbitration and a stay of that application or other reference may be sought by any of the parties in relation to the Foundation, whether or not a party to that application or other reference.
7. In any application or other reference to the Court referred to in paragraph 6, the Court may stay the proceedings on its own volition unless all parties in relation to the Foundation affected by the application are before it or are represented by persons before it.
8. For the objects of enforcing an arbitral award under Regulation 62(1)(a)(iv) of the Regulations, the term "difference" includes an Administration Question.